

## **Exhibit B**

### **Payment Provisions**

The purpose of this Exhibit is to define the basis for payment of services that will result from this Contract. Payment shall be made in accordance with the conditions described in this Exhibit.

#### **A. INVOICING AND PAYMENT**

- a. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor in accordance with the rates herein.
- b. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than 30 days in arrears of State DHS' acceptance as complete of any "draft" or "final" report produced as a part of the Audit and Report of External Accountability Set Performance Measures, the Evaluation of Quality Improvement Projects, the Reports on Defining Superior Performance, the Performance Evaluations or the Consumer Satisfaction Surveys. Invoices for conducting the Annual Quality Improvement Conference shall be submitted after acknowledgement by the DHS of the successful completion of the conference. Invoices for Special Consultative Services shall be in accordance with the agreed upon terms established prior to the commencement of any Special Consultative Services.

- c. Invoices shall be sent to:

Department of Health Services  
Medi-Cal Managed Care Division  
Attn: Julie Cheung  
714 P Street, Room 993  
P.O. Box 942732  
Sacramento, CA 94234-7320

- d. Invoices shall:

- 1) Be prepared on company letterhead;
- 2) Bear the Contractor's name as shown on the agreement;
- 3) Identify the billing and/or performance period covered by the invoice;
- 4) Identify the Department's acceptance of the report or other deliverables;
- 5) Identify the Reports covered by the invoice;
- 6) Itemize timesheets shall be required for any Special Consultative Services hours billed to the Department and should include the name of the consultant, category of service provided, date of service, hours charged, identification of the engagement agreement document; and
- 7) Be signed by and authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the services performed under the contract.

#### **B. BUDGET CONTINGENCY CLAUSE**

- a. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- b. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Contractor to reflect the reduced amount.

#### **C. PROMPT PAYMENT CLAUSE**

Payment will be made in accordance with, and within the time specified in, the Government Code Chapter 4.5, commencing with Section 927.

#### **D. CONDITIONS PRECEDENT TO PAYMENT**

The conditions described in this Exhibit shall be considered conditions precedent to Contractor payment for receipt of specific goods or services required by this contract.

Payment to Contractor will be made in arrears for reports or services described in this Exhibit. Each report must be certified as complete and meeting the requirements of the Department before payment may be made to the Contractor.

After submitting a report to the Department, an evaluation of the report shall be made within thirty days of receipt. The Department will notify the Contractor in writing of acceptance or rejection of the report. If rejected the Department and the Contractor shall determine the steps required to bring the report into compliance with the requirements of the contract.

#### **E. REQUIRED CERTIFICATION**

Required Reports shall include a certification signed by the Contractor's Representative or authorized agent stating that all contractual requirements have been met and that satisfactory progress has been made toward meeting all goals, objectives, functions, tasks, activities, deliverables, and project milestones required for the Report period as described in Contractor's technical proposal (SOW and Workplan). In the event that contractual requirements or satisfactory progress has not been met, the Contractor's supplemental explanation of deficiencies and plan to achieve satisfactory performance shall also be signed by the Contractor's representative or authorized agent.

## **F. OPERATIONS**

### **1. Reports**

Reports are to be provided as defined within the Scope of Work, Exhibit A. Contractor shall invoice DHS within thirty (30) days of DHS acceptance of each Report. The Report shall address all deliverable requirements and performance objective requirements (i.e. all goals, objectives/deliverables, functions, tasks, activities, and project milestones) required in the Scope of Work and the Contractor's Workplan.

Reports subject to these requirements are:

Audit and Report of External Accountability Set Performance Measures (EAS);  
Preliminary Plan Specific EAS Reports;  
Final Plan Specific EAS Reports;  
Aggregate HEDIS Reports;  
Aggregate Department-Developed Performance Measures Reports;  
Interim Report Defining Superior Performance;  
Final Report Defining Superior Performance;  
QIP Evaluation Criteria Report;  
Quarterly Status Reports of QIPs;  
Report of Baseline Measurement for the Statewide Collaborative QIP;  
Status Report of the Statewide Collaborative QIP  
Report of Remeasurement Results for the Statewide Collaborative QIP;  
Plan-Specific Evaluation Reports;  
Medi-Cal Managed Care Evaluation Report;  
CAHPS Plan Specific Reports;  
CAHPS Summary Report.

### **2. Annual Quality Improvement Conference**

The Department shall notify the Contractor of acceptance of the Annual Quality Improvement Conference within 15 days of the conclusion of the conference. The Contractor shall invoice DHS within thirty (30) days of acceptance. The conference shall address have meet all performance requirements for conducting the conference as required in the Scope of Work and the Contractor's Workplan.

### **3. Special Consultative Services**

All Special Consultative Services are solely at the request of the Department. The contractor shall bill the Department for services rendered in accordance with the engage ment agreement establishing the request for Consultative Services. Each engagement agreement shall be viewed as unique to the conduct for which it was created.

Each engagement shall identify the service to be obtained, the maximum hours the Contractor may utilize, the rate of payment as defined within this contract, an itemize timesheet reporting at a minimum the name of the consultant, the consultant category of service provided, date of

service, hours worked and identification of the engagement agreement document.

In accordance with the engagement agreement, the Contractor shall submit an invoice for services rendered. The Contractor shall invoice DHS within thirty (30) days of acceptance or as prescribed in the engagement agreement.

#### **G. The Cost Matrix**

The Cost Matrix (Exhibit B, Attachment I) delineates the maximum amount payable for the complete and satisfactory delivery of the Reports or Deliverables required under this contract.